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Americas' Accountability/Anti-Corruption Project
Quarterly Performance Report
July-September 2005 (4ᵗʰ Quarter FY05)

Submitted to
Anu Rajaraman, CTO

Prepared By
CASALS & ASSOCIATES, INC.
1199 North Fairfax Street
Third Floor
Alexandria, VA 22314

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During the quarter, USAID/AAA subcontract partners continued making progress on the range of activities described in detail in the previous quarterly report. The following program activities advanced relative to the project's four objectives:

1. Address the Challenge of Grant/Elite Corruption

Environmental Sector Corruption—Paraguay

In September, USAID/AAA signed a subcontract with *Instituto de Derecho y Economía Ambiental* (IDEA) to document and track cases of corruption in the environmental sector from the moment the cases are exposed in the press to the final outcome and regularly report to the public on their handling and disposition. This activity will expose weaknesses in the administrative and judicial institutions in the country that generate opportunities for corruption and protect the corrupt from effective prosecution.

With the technical assistance from *Sociedad Peruana de Derecho Ambiental* (SPDA), an environmental NGO in Peru, IDEA will develop a methodology to track corruption cases in the environmental sector, and in particular, cases of illegal logging and illegal trade of protected and endangered species.

IDEA will also develop an "Impunity Index" of environmental-sector corruption cases, which will be useful in raising awareness about the extent of this problem in the country and serve as a baseline for judging progress in reducing corruption in the sector. The information collected and processed will be posted on IDEA's web page and will also be disseminated through the organization of several workshops with journalists, academics, public officials and civil society organizations. At the end of the activity, IDEA will organize a regional seminar to present project results including lessons learned. Representatives from SPDA will attend the seminar and share their experiences on fighting environmental corruption in Peru.

Specific activities will include:
1. Attendance of two qualified individuals from IDEA/Paraguay at a two-day workshop sponsored by SPDA and USAID in Iquitos, Peru, designed to train public officials responsible for preventing and controlling illegal logging through improved enforcement of environmental laws. The primary objective of the workshop is to standardize criteria for implementation of forestry regulations and expand understanding of the administrative and judicial procedures associated with environmental protection.

2. Creation of a database of information about corruption cases in the environmental sector.

3. Development of a methodology to monitor and track corruption cases, with assistance from SPDA.

4. Review administrative and judicial procedures involved in these cases, including a report on the degree of compliance with environmental regulations.

5. Tracking corruption cases through the judicial process to analyze how many cases are actually prosecuted, how long the adjudication process takes and what the results are for each case.

6. Creating an "institutional map" of all the institutions responsible for receiving and prosecuting allegations of corruption in the environmental sector.

7. Presenting results to the authorities in the Ministry of Environment, the Ministry of Agriculture, Customs, Comptroller General's office and the Forestry Service. Proposing legal and administrative reforms to reduce the risks of corruption in the environmental sector.

8. Organization of a region workshop to increase public dialogue about environmental corruption and garner support for reform.

Upon completion of these activities, IDEA will prepare a final report documenting findings and lessons learned, which USAID/AAA will disseminate widely.

Increasing Political-Party Accountability and Transparency—Colombia

In August, USAID/AAA subcontracted with *Corporación Transparencia por Colombia* (CTC) to track and report on specific political-party and candidate activities related to the electoral process for the 2006 presidential/congressional elections—from September 2005 to June 2006. (In June a second electoral round could be undertaken if no presidential candidate wins an absolute majority in the first electoral round in May 2006.) To this end, CTC will develop a methodology to monitor sources of campaign contributions and expenditures and will report its findings to the public.

To support these activities, CTC will update a website (*votebien.com*) it created during the 2002 elections, where it will provide information about the campaigns, candidates, sources of electoral campaign contributions and campaign expenditures. The goal is to develop a more "educated" voter in the 2006 elections and encourage and support transparency and accountability by political parties and candidates, which can be replicated in other countries in the region.

Other information to be posted will include: legislation regulating political-party finance; political parties' platforms; information about the candidates' careers, supporters and previous contributors; origins and amounts of campaign contributions and campaign expenditures; and information about anti-corruption proposals endorsed by the candidates.

By law, political parties are obligated to report campaign contributions only after the elections. TPC has already communicated with several candidates who have verbally committed to release information about their campaign contributions during the campaigns. Therefore, TPC will post information about campaign contributions to the website to the extent that this is information is made available to them and will note which candidates have decided not to cooperate. Following the election, TPC will organize a seminar to disseminate the results of the project and will prepare a report on what was achieved.

Government Official Immunity/Impunity

Inter-American Bar Foundation (IABF) constitutional lawyers completed their analysis of existing laws and practices on public-official immunity regimes in Colombia, Chile, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Ecuador, Peru, Bolivia, and Paraguay. The analysis was carried out following IABF guidelines that promote accountability and transparency.

The individual country analyses have been combined into a single document that will serve as the foundation for discussion by participants in an USAID/AAA-sponsored international conference to be held, October 24-26, 2005 in Lima, Peru. Conference participants will include constitutional lawyers, invited legislators and journalists who will examine needed legal reforms and obstacles to achieving those reforms.

A draft of potential amendments to existing laws in the targeted countries will be produced and distributed among conferees for comments and recommendations. Final proceedings of the conference will be edited and widely distributed among interested parties including legislative bodies, civil society and the media.

The overall objective of this activity is to identify and, ultimately, implement mechanisms to limit immunity protections for politicians and government officials to those acts that are legitimately taken in the exercise of a public function.

At the conference, the IABF will work with participants and others to form *ad-honorem* coordinating committees to advance reforms through a series of clearly defined activities. While the committees will be self-directed, IABF will provide guidance and encouragement, including technical assistance from an IABF-contracted consultant who will make one visit to each of the two or three selected countries. Each committee will also be provided the services of a local part-time consultant of its choosing in consultation with IABF.

IABF will produce a final report that includes a complete description of each stage of activities, lessons learned and recommendations. USAID/AAA will distribute the report to missions and make it available on the *ResponDanet* website.

In addition to USAID/AAA funds, the U.S. Department of State is providing funding to underwrite conference expenses, as well as the action plan for reform.

Increasing Transparency in Political Party Finance—Peru

As reported last quarter, USAID/AAA subcontracted *Asociación Civil Transparencia Peru*, in May, to carry out a comprehensive program to support political parties' compliance with two new Peruvian laws designed to increase party transparency and accountability relative to contributions and expenditures.

Execution of the contract was put on hold as parties and other stakeholders became engaged in a debate about amending the laws to weaken them. *Asociación Civil Transparencia* continues to battle adoption of these amendments. When the USAID/AAA Deputy Director travels to Peru in October for the IABF impunity conference, she will assess the status of this interrupted activity.

Proceedings of Forum on Political Party Finance Published
USAID/AAA prepared and disseminated its Report on the Latin American Forum on Political Party Finance that took place in October of last year in Lima, Peru. The Forum, organized around themes addressed in the USAID/AAA Technical Assistance Module (TAM) on Political Party Finance, was cosponsored with five USAID international and national partners—the National Democratic Institute for International Affairs (NDI), the International Republican Institute (IRI), the International Institute for Democracy and Electoral Assistance (IDEA), IFES and the *Asociación Civil Transparencia* Peru. More than 75 local and regional participants attended the forum.

The Report makes a substantive contribution to the growing body of knowledge about needed political-party transparency and accountability reforms. It frames for public dialogue such relevant issues as internal party reforms, public disclosure of party income and expenditures, compliance with and enforcement of laws governing parties, spending and contribution limits, as well as public and private financing of parties.

In conjunction with *Asociación Civil Transparencia,* USAID/AAA distributed the report to nearly 200 political-party leaders, journalists and donors in Peru. It also was distributed to donors and USAID in Washington D.C., as well as to USAID/AAA's network of partners across the region. The Report is available, in Spanish, on the ResponDanet website.

2. Improve Approaches to Reduce Administrative Corruption

Report Published on CSO Coalition Building
The final component of the Coalition Building initiative in Bolivia was completed in August with USAID/AAA's publication of the report: *Transparency Coalitions: Lessons from Peru, Paraguay, El Salvador and Bolivia.* This report is the result of a workshop that was held with the assistance of Partners for Democratic Change (PDC), a leading U.S. non-governmental organization (NGO) with expertise in coalition building. USAID/AAA staff and PDC experts designed a workshop on coalition building for eight emerging Bolivian anti-corruption civil society organizations (CSO) and NGOs. This innovative activity involved a two-day workshop, in which actual experiences of anti-corruption and transparency coalitions from the Latina American region were examined and combined with instruction on the more technical aspects of the coalition building process.

While the initial workshop focused on supporting Bolivian CSOs and NGOs desire to explore building an anti-corruption coalition, the resultant report is useful as a guide for any group of organizations intent on such a goal. It identifies strategies that increase the potential for success in such an effort as well as impediments to success. The Report already has had an impact, as the eight Bolivian anti-corruption CSOs and NGOs that participated in the workshop are using the report as a tool to move the coalition-building process forward and to support requests for additional training. Moreover, the workshop experience will be replicated in El Salvador throughout the coming year. The report, published in English and Spanish, was distributed to civil society stakeholders in Bolivia and to USAID Missions in the Latin American region. In addition it has been posted on the ResponDanet website and notice of its availability has been circulated among Internet discussion groups, including Anti-Corruption Without Borders.

Repatriation of Assets from Corrupt Activities—Ecuador

In July, USAID/AAA subcontracted with *Corporación Latinoamericana para el Desarrollo* (CLD) to carry out a series of activities to enhance the capacity of Ecuadorian public officials and civil society organizations to effectively utilize legal tools developed for compliance with the Inter-American Convention Against Corruption (ICAC), specifically as related to extradition of corrupt officials and repatriation of their assets and/or property derived from corrupt activities.

The main objectives of the project are to:
1) Create the legal tools to enable Ecuador to extradite corrupt officials and repatriate their ill-gotten assets.
2) Promote greater awareness of the ICAC commitments and their importance.
3) Contribute to the fight against impunity and corruption by effectively enforcing sanctions related to corrupt activities.

CLD will:
1) Review Ecuadorian legislation to assess its compliance with requirements of the ICAC.
2) Organize a workshop to develop amendments to Ecuador's legal code to comply with the ICAC.
3) Organize of a workshop to draft a " policies and procedures manual" explaining how the new legal tools can be used to extradite corrupt officials and to repatriate assets derived from corrupt practices.
4) Using the manual as a training tool, train appropriate public officials on how to implement the new law.
5) At the conclusion of the project (April 2006), prepare a final report including documents, legislation and other materials produced, a description of activities and results achieved, lessons learned and recommendations for follow-on activities.

Assessing Costs of Corruption Survey—Bolivia

In July, the USAID/AAA Deputy Director traveled to Bolivia, accompanied by Mexican survey expert Edmundo Berumen. During the trip, the survey instrument and methodology were tested and finalized; an Advisory Committee, made up of prominent Bolivian experts and former political leaders, was established; and the plan to implement the survey was fine tuned and formally presented to USAID/Bolivia and the Advisory Committee; the plan was approved and the activities were launched. From July to September, the survey was implemented and the first draft of the results was completed by September. Final results and the associated analysis will be available in November at which time USAID/Bolivia, the Advisory Committee and the USAID/AAA Project will present the report to the public.

Replicating Successful Social Auditing Models

The activity to assess successful social-auditing experiences, identify best practices and determine the elements that are critical to evolving sustainable social-auditing activities is being carried out in September and October. USAID/AAA, in consultation with USAID, identified three social-audit experiences in Guatemala and one in Peru to be analyzed. In addition, to make the analysis more encompassing, from Bolivia will be added three social-audit experiences along with three other citizen-participation initiatives. By broadening the range of experiences to be

included, USAID/AAA hopes to identify more universal lessons learned that can guide development and expansion of these programs in other countries.

3. Mainstream Anti-Corruption Thinking and Programming Across all Sectors
4. Increase the Qualitative and Quantitative stock of Knowledge to Complement Current Knowledge

<u>Mainstreaming USAID Mission Anti-Corruption Programming—Guatemala</u>
USAID/AAA presented the Mainstreaming Anti-Corruption Thinking and Programming workshop to the members of the Guatemala Mission and Embassy staffs, on October 6-7, 2005.

Participants
Originally 42 staff signed up to participate. However, flooding and mudslides in the days immediately preceding the workshop resulted in requests to the USG for emergency assistance, requiring some staff to withdraw and others to attend intermittently. On average about 28 participants were present for the sessions. On the second day, 20 participated. Mission sections represented included the offices of:
- Regional Contracting
- Income and Natural Resources
- Program Development and Management
- Financial Management
- Rule of Law
- Health and Education
- Democratic Initiatives.

Four Embassy staff participated as well as four contracting partners. The Mission Deputy Director attended all sessions providing guidance and support; the Mission Director participated when he could, demonstrating his endorsement of workshop goals and objectives.

Schedule
The workshop was presented over two days, with a very full first day and a half day following.

Observations and Participant Evaluations
1. Some participants remarked they did not receive much information prior to the workshop, so they were not fully aware of its purpose and objectives.

2. In part because a bigger audience was expected, the room and the seating arrangement were not optimal for a more engaged discussion amongst participants. The room was too big and the sound system was extremely inefficient, creating ongoing frustration for faculty and participants.

3. At the Mission's request, the workshop was carried out in a day and a half. Even though all the material was presented, the first day was long and tiring. This and the dysfunctional sound system affected the attention and concentration of many participants.

4. In Guatemala, unlike in El Salvador, the USAID/Mission had already established an anti-corruption committee, led by the Deputy Mission Director, to discuss the problem of corruption and begin to integrate anti-corruption initiatives in sectoral programs. As a result, 11 out of 20 participants who filled out evaluation forms believed the contents of the workshop were too basic, generic and elementary. Participants suggested presentations and exercises should to be tailored to each country's situation.

5. Most participants (15 of 20) believed the workshop was useful in articulating and clarifying crosscutting lines of action.

6. The breakout discussion groups were positively evaluated; many believed the presence of the Mission contractor-partners significantly enriched the discussions in general sessions and breakout groups.

7. The session on mainstreaming was perceived to be the weakest, because many of the internal mission management activities addressed in this presentation were already being taken in Guatemala. It is worth noting, that not all of the recommendations have been implemented in Guatemala; the mission has not yet achieved mainstreaming.

8. The sessions on corruption in Guatemala and strategies and tools were perceived to be the strongest.

9. Participants viewed the last breakout session as being particularly useful. In light of the Mission having already established an anti-corruption crosscutting team, the presentation team asked the Deputy Mission Director how the final session could best serve the Mission's needs. What resulted were breakout groups, organized by SO, being asked to formulate an "action plan" for each sector, rather than discussing macro-management approaches.

Recommendations:
1. Develop a standard "Announcement Memorandum" about the objectives and purpose of the workshop that can be used by missions when inviting staff to participate.

2. Before the workshop, it is important to obtain detailed information about projects a mission is supporting in each sector as well as information about whether the mission has taken concrete steps in addressing corruption in a structured (mainstreaming) fashion.

3. Active participation of mission DG staff in presentations can be very beneficial, particularly in detailing the nature of corruption in the country.

4. Although the workshop is not tailored to particular situations/countries, it is important to present specific examples of application of the tools. This is particularly relevant for the sessions on Strategies and Tools and on Assessing Sectoral Vulnerabilities. Attention should be given to explaining what has worked and what has not worked and why, to the degree possible within time limitations

5. Trainers should visit each breakout group to answer questions and give guidance.

6. Suggest a mission consider inviting contractor-partners, with the understanding that the workshop will be presented in English.

7. Tailor the last session on Mainstreaming and its related Breakout Group to the specific situation of each mission.

8. Devise some mechanism to record/document conclusions of each breakout group as well as discussions during the question and answer periods, so they can be distributed to participants at the end of the workshop.

Country Anti-Corruption Assessment—El Salvador
In July, USAID/AAA completed and delivered to USAID/El Salvador a country and sectoral anti-corruption assessment that will be used by the Mission as a strategic tool to plan and implement transparency and anti/corruption activities across sectors.

Transparency and Accountability Newsletter
In August, the project published the second issue of the English-language newsletter. Articles reported on:
- The USAID/AAA "Mainstreaming Anti-Corruption Thinking and Programming" Pilot Workshop presented in San Salvador;
- The Workshop on Strategies for Anti-Corruption Coalition Building
- Investigative Journalism awards for reporting on corruption in Latin America and the Caribbean;
- The Thirty-Fifth Regular Session of the OAS General Assembly, and
- Launch of TI's anti-corruption conventions website.

USAID/AAA routinely receives comments from readers of its newsletter generally applauding the content and overall effort to spotlight anticorruption initiatives around the world. Below is a quote from an email that typifies comments received.

"Thank you very much for the most recent edition of the informative newsletter on the calamity of corruption. Move forward in this fight with no holds barred."

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Arturo Barboza
Internal Auditor
National Commission of Emergencies
Costa Rica

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